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ABSTRACT

This report reviews the status of poverty and makes the following recommendations for program aims and structure, and for organizational changes at the Federal level. Antipoverty programs should attack the total environment of the poor: housing, education, family stability, employment, and neighborhoods. Increased efforts must be made to reach the hidden and silent poor such as the American Indian and the Southern tenant. Passive and indifferent institutions must be made responsive. At the Federal level, the Presidential staff functions of the Office of Economic Opportunity (OEO) should include reporting directly to the Assistant to the President for Urban Affairs. OEO should remain as an agency outside the Executive Office, should administer and evaluate a larger number of community action programs, and should also develop and test experimental pilot programs. Programs of proven value developed by OEO should be delegated to other departments so that the Director of OEO can concentrate on employing newly fcund methods and techniques. OEO should adopt unresponsive poverty related programs operated in other departments. The Urban Affairs Council should make an effort to improve management and coordination of human resources programs and the Director of OEO should participate in its work. The report also outlines ways of improving coordination on the regional level. (KG)

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Continuity and Change in Antipoverty Programs

Second Report of the
National Advisory Council
on Economic Opportunity
March 1969

ED037512

Continuity and Change in Antipoverty Programs

Second Annual Report

The National Advisory Council
on Economic Opportunity
Washington, D.C. 20036
March 1969

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

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March 31, 1969

Mr. President:

We have the honor to submit our 1969 report in conformance with Section 605 of the Economic Opportunity Act. This is the second annual report to the President since the statutory creation of this Council and the appointment of its members in March 1967.

In our last report, *Focus on Community Action*, we devoted our major attention to that area of the antipoverty effort. Our subsequent examination confirms the soundness of the conclusions reached last year.

In December 1968, persuaded that certain changes were desirable in the administrative machinery for poverty and human resources programs, we forwarded our suggestions to you and the former President.

This report reemphasizes our deep concern with the problems of poverty in the United States, recommends a continuity of commitment to the objectives of the Economic Opportunity programs and counsels a search for better ways to further those programs.

We acknowledge the cooperation of the Acting Director of the Office of Economic Opportunity and other officers and employees on his staff.

We commend our own staff members for the high standard of their professional support.

Respectfully,

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PROGRAM RECOMMENDATIONS

The Council recommends that:

1. The antipoverty efforts continue to be oriented toward the total environment of the poor. No single strategy—for malnutrition, illness, family stability, housing, education, employment, neighborhoods or income—will succeed.

2. The gap be significantly narrowed between established needs and available program resources. Funds for antipoverty programs should be increased.

3. Increased efforts be made to reach and serve the very poor.

4. Institutional change be constantly emphasized. The needs of poor Americans cannot be met by passive and indifferent institutions.

5. Studies be undertaken promptly:

   a. On a sample basis for all Federally-aided human resources programs at their final point of delivery to establish a basis for judgment and corrective action to ensure that these programs are reaching the Americans who need them most.

   b. On decentralization, to analyze the implications of neighborhood control over certain public functions, and the extent to which Federal or Federally-aided programs could or should be decentralized.

ORGANIZATIONAL RECOMMENDATIONS

The Council recommends that:

1. The Presidential staff functions of the Office of Economic Opportunity be united with the rest of the Presidential staff as a unit in the Executive Office of the President reporting to the Assistant to the President for Urban Affairs.

2. The Office of Economic Opportunity

   a. be continued as agency outside the Executive Office.

   b. have responsibility for administering and enlarging Community Action Programs and for developing and testing innovative pilot projects in all of the human resources areas.

   c. supervise, manage, and audit closely all its innovative programs to be sure that the highest standards are observed.

3. Operational programs developed in OEO and no longer considered experimental but rather of proven value be delegated to other departments, but not transferred. This will permit the Director of OEO to maintain vigilance over program execution to ensure continuing responsiveness to the needs of the very poor and the incorporation of newly discovered methods and techniques.

4. Poverty-related programs operated in other departments and judged to have become unresponsive to the problems of the poor be shifted for a stated period of time to the Office of Economic Opportunity.

5. Coordination of Federal antipoverty programs be improved at the regional level by:*

   a. making Federal regional boundaries and headquarters locations the same for all departments and agencies involved in the antipoverty effort.

   b. implementing the joint funding provision of Section 612 of the Economic Opportunity Act.

   c. forming Regional Councils, each consisting of the Regional Directors of the Office of Economic Opportunity, the Departments of Labor, HEW and HUD plus a representative of the Presidential Staff,

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* On March 27, 1969, the President announced the signing of a directive which will give effect to recommendations (a), (c) (in part) and set the stage for long-term action on recommendations (d), (e) and (f).

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to ensure full program coordination and any necessary White House support for this coordination.

d. delegating authority to Regional Directors themselves to approve grant applications and fund projects.

e. authorizing each Regional Director to establish reserve funds to be used flexibly in meeting high priority needs growing out of local initiatives and in filling gaps between traditional programs.

f. developing generalists on the staffs of the Regional Directors to assist them and the Councils in planning and executing integrated programs across departmental and categorical boundaries.

6. The Urban Affairs Council

a. review the improvement it could effect in the management and coordination of human resources programs by bringing about better communication and a sense of community among the Federal human resources agencies.

b. have the Director of the Office of Economic Opportunity participate in its work.

PART I / PROGRAM

Chapter 1

POVERTY TODAY

The Changing Dimensions of Poverty

The number of poor people in the United States, as well as their proportion in the national population, continues to decline.

Year	Number Poverty[1] (Millions)	Percent of total Population
1949	42.3	28.2
1959	38.9	21.9
1964	34.2	17.8
1966	29.4	15.2
1967	26.1	13.1
1968[2]	22.0	10.9

The reduction in the numbers of poor people is encouraging. Yet a detailed examination of the data shows that some trends regarding the distribution of poverty, apparent earlier, have become more sharply defined. The new statistics highlight several areas of problems.

The incidence of poverty remains high in families headed by women. Between 1959 and 1967 there was a substantial increase in the proportion of poor families living in metropolitan areas headed by women below 65 years of age. This trend holds true for white as well as black families; in 1959, 23 percent of all poor families were headed by women under age 65; by 1967 the percentage had increased to 36. Although the proportionate increase pertains generally to both city and suburb, it is most dramatic among black families in central cities. Among black families the percentage of poor families headed by women increased from 29 in 1959 to 54 in 1967.

Poverty is increasingly concentrated in metropolitan areas, especially central cities. About half of all the families living in central cities in 1967 had incomes below the poverty line. In 1959, about 54 percent of all poor people lived in areas outside of the nation's metropolitan areas; by 1967, only 49 percent lived there. In 1959, farm residents made up 12 percent of the total poverty population; by 1967, they comprised only 7 percent.

Minority unemployment rates remain high. Between 1960 and 1968, the overall unemployment rate decreased substantially in central cities. But the differential between black and white unemployment rates

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[1] The level of poverty is a fluctuating annual level of income determined periodically by the Bureau of the Census according to living costs and family size.

[2] Preliminary Estimate, Lyndon B. Johnson, Budget Message of the President, January 15, 1969, in The Budget of the United States Government, 1970, p. 46.

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remained about the same—the unemployment rate for blacks was twice as high as that for whites. The unemployment rate for all teenagers (aged 16 to 19) increased during the same years. But for white teenagers in central cities the rate rose from 9.8 to 12.3 percent, for blacks from 22.7 to 30.4 percent.

Minority earnings differentials continue to be substantial. A large gap remains between the earnings of white and black workers. The median earnings for year-round male white workers in central cities was $6,132 in 1959, $7,264 in 1968; for blacks, the figures were $4,271 and $5,179. Within one comparable occupational group (clerical and sales workers), Negro male year-round workers' earnings were 82 percent of comparable white earnings in 1959, but only 80 percent in 1967. Not only do whites earn more money; they also are more likely to work on a year-round basis. In 1967, 74 percent of all white central city workers had year-round work, only 68 percent of black workers. Similar differentials exist between the earnings of white and black women.[3]

The Hidden Poor

Despite their presence, as confirmed by census data, the poverty population can be easily overlooked. Half of them live in rural areas. The other half live in metropolitan areas, the bulk of them in segregated ghettos. In terms of their physical location, the poor are invisible to the majority of the general population. Some local government officials claim that the poor do not exist in their areas. Poor people have very few methods which the general population will consider acceptable to call attention to their plight.

Consider the following examples:

Few Americans know much about some of the communities existing in semi-feudal conditions in the rural South today. At a "Turpentine Camp," visited by a member of the Council's staff late in 1968, several families live in a community of tarpaper shacks on a pine-tree plantation. Their living conditions provide few necessities and no amenities of life. A single pump provides water for all the residents. There are no plumbing facilities.

The men tap the trees for the sap or gum which is distilled into gum spirits of turpentine. They are paid on a piecework basis—so many cents per bucket or barrel of gum tapped. They average about $15 per week in wages. Since there is no compulsory school attendance law in the State, some children work on the trees.

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[3] The foregoing discussion is based on the Bureau of the Census Special Studies, "Trends in Social and Economic Conditions in Metropolitan Areas" (Series P-23, No. 27), February 7, 1969; and *One Year Later*, an assessment of the Nation's Response to the Crisis Described by the National Commission on Civil Disorders, Washington, The Urban Coalition and Urban America, February 27, 1969.

As an inducement for moving in some of the workers receive loans from the owner of the plantation. These loans become debts. Since the owner runs a store and extends credit to the residents, their purchases are added to the loans. At existing wage rates, loans are difficult to pay off. Because the residents are not supposed to leave the camp until the loans are paid, some move out in the middle of the night to escape this form of economic bondage.

Located a considerable distance from the county seat, the residents of the camp have access to few social services. They are apprehensive people, most without transportation and thus not inclined to seek out even the assistance for which they may be eligible. Antipoverty outreach workers have visited the camp from time to time, and efforts are under way to bridge the gap of distance and timidity.

Few Americans know much about the reality of Indian life on reservations today. This is particularly true with regard to Indian education. Only about 40 percent of the 55,000 Indian children of school age remain at home to receive their education. Those who do face conditions hardly conducive to accomplishment. The typical Indian family may have as many as five children living with their parents in crude 1 1/2 to 2 room houses which lack heat, light, and plumbing. Since population density on reservations is low and residential patterns are scattered, the children must travel long distances—15, 20, or 25 miles each way—every day to get to school. Sixty percent of Indian children must leave home to get an education; they attend boarding schools operated by the Bureau of Indian Affairs (BIA). Some must travel incredibly long distances. Two-thirds of the Indian children in Alaska go to a boarding school in Oregon; others go to Oklahoma. In the Navajo nation, which makes up about one-third of the Indian population under BIA responsibility, 92 percent of the children must go to boarding school. Over 9,000 Indian children under the age of nine are in such boarding schools, but 16,000 more between 8 and 16 are not in school at all.

Life in the boarding schools is regimented. Contact between parents and even young children is discouraged. Traditionally the curriculum has emphasized standard academic subjects designed to help assimilate Indians into the general framework of American life. Little attention is paid to Indian language and culture. Until recently, education theory governing the schooling of Indians held that it was bad for the children to learn about and speak their own language.

The failure of the schools to educate, the regimented life, and the absence of family leads to behavioral difficulties. Many youngsters run away. There is a high rate of attempted suicide. Student performance is generally low and dropout rates are high—60 percent, a contrast with the national average of 23 percent. The perpetuation of the poverty cycle among young Indians seems assured.

Some changes are taking place in the institutions for educating Indians. Among the most recent is the demonstration school at Rough Rock, Arizona, jointly funded by OEO and BIA. Administered by a board of seven Indians who establish policy and control teacher appointments, the

school offers courses in Navajo culture, history, and language. There is an adequate number of counsellors. Family life is emphasized and encouraged. Teachers visit parents in their homes, while parents, on a rotating basis, live in the school, where they work as aides and also share their children's educational experience.

The program is relatively new and quite expensive. It has not yet been evaluated. But it is doing for the hidden poor what the Economic Opportunity Act requires:

> Initiating and sponsoring projects responsive to the needs of the poor which are not otherwise being met. . .developing new approaches. . .pending the expansion or modification of those programs.

The Impact of Hunger and Malnutrition on the Poor.

Not since the Great Depression has hunger been an important public issue in the United States. Yet today, it has burst upon the public conscience. As the existence of widespread hunger becomes better documented and as the effects of malnutrition become better known, the implications of this knowledge will have significant impact on antipoverty strategy.

When hunger began to emerge as a public issue late in 1967 and early in 1968, the official reaction in many quarters was to dismiss it as unimportant. "Nobody is starving in the United States," some people said. "And if there is hunger, it is not a widespread problem." Even now, as committees of Congress are conducting investigations of hunger and malnutrition, some state and local officials are resisting visits from committee members. "Hunger is not a substantial problem here," they say, "and outside investigation and help are not needed."

According to a recent report published by the Citizens' Board of Inquiry, hunger and malnutrition are widespread phenomena in the United States. This organization identified 256 counties as hunger areas, where "desperate situations" existed.[4]

Two words unfamiliar to many Americans are increasingly being used to describe the effects of malnutrition on growing children. They are "marasmus" and "kwashiorkor." Marasmus is a condition of severe protein deficiency associated with an overall deficiency of caloric intake. Kwashiorkor, a Ghanaian word, is a condition of protein deficiency generally associated with an excess of other calories; it is marked by distended belly, weight loss, and listlessness, sometimes vomiting and diarrhea.

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[4] *Hunger, U.S.A.*, a Report of the Citizens' Board of Inquiry into Hunger and Malnutrition in the United States. The Citizens' Board analyzed entire counties rather than census tracts. It used highly selective statistical criteria. To warrant classification as a hunger area, a county had to meet three of the following four standards: a) the percentage of poor people in the county had to be at least 40 percent of the total, twice the national average; b) the postnatal mortality rate had to be 15 percent, twice the national average; c) participation of the poor in welfare programs had to be less than 25 percent of those eligible; d) those participating in the food programs had to be less than 25 percent of the eligibles.

Marasmus and kwashiorkor were believed to be absent in the United States. But cases have been found among Navajo Indians and Mexican Americans in the Southwest, Negro migrant workers in Florida, and Puerto Ricans in New York City. At the Indian hospital in Tuba City, Arizona, 27 cases of marasmus and 17 cases of kwashiorkor were recently reported. Of these 44, 15 died.[5]

Kwashiorkor has also been reported in Beaufort County, South Carolina, along with other diseases resulting from inadequate diets long endemic to the region—pellagra, scurvy, and rickets.[6] Parasitic infestation associated with hunger ravages the poor, and substantial numbers of children have intestinal worms, both round-worms and whip-worms. The former may grow to a foot in length, and a child may have from 100 to 200 in his digestive tract. At infestation levels of this magnitude, the worms compete with the child for the food he eats. For a child with a low caloric intake, say 800 calories per day, there are hardly enough calories to support the child and "rarely enough to support the worms." Children with this level of infestation have low resistance against other diseases, particularly pneumonia and diarrhea. According to some medical experts, parasitism in Beaufort County ranks in level of incidence with Egypt and several countries in South America.

Neurological research has established that an individual has most, if not all, of his brain and central nervous system cells at birth and that the first four years of life are critical for brain growth and development. Between birth and six months, the brain doubles in size. Between six months and age four, the brain doubles again. Beyond that, the brain grows another 15 percent between the ages of 4 and 20. Between birth and age 4, the child learns the language of the culture in which he grows, and his thinking patterns are developed in that language.

What is particularly shocking from this data is the life-long effect of hunger and malnutrition on children. Anemia, the result of inadequate diet, is widespread among poor children, and it adversely affects physical and mental growth, energy, and the ability to learn in school. Expectant mothers who are malnourished tend to deliver premature babies. Infants who have received inadequate nourishment during the prenatal period will probably be denied adequate physical and mental development after birth. "Children inadequately nourished while still in the womb," an expert said, "may start life with a subnormal number of brain cells—a deficit which can never be made up."[7]

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[5] Homer Bigart, "Hunger in America," a 5-part series, *New York Times*, February 19, 1969.

[6] Ibid, February 16, 1969.

[7] John A. Churchill, M.D., Statement to Senate Subcommittee on Employment, Manpower, and Poverty, June 12, 1968; see also John A. Churchill and Lee Willerman, "Intelligence and Birthweight in Identical Twins," *Journal of Child Development*, Vol. 38, No. 3, Sept. 1967, pp. 623-629. (Dr. Churchill is Head of Pediatric Neurology, National Institutes of Mental Health.)

As a result of being carried in mothers who were protein deficient, "... children were found to have, at least through the fourth year of life—significantly lower I.Q. scores than the children born to women of similar socioeconomic status, age and educational background but who did not lose excessive amounts of protein."[8]

These recent findings on malnutrition and child development are both depressing and hopeful. It is depressing to learn that children, even before they are born, can be trapped in the web of poverty, and to realize that, because of physical reasons, they will have enormous difficulty in breaking out. Yet it is hopeful to have some of the causes of poverty identified more precisely, and to see that they are subject to cure.

Conclusion

While the numbers of the poor may be decreasing, those who remain poor are more tightly trapped in the cycle of poverty than were those who have escaped. The very poor are damaged in body, mind, and spirit; their children are condemned to poverty—from malnutrition and poor health, to inadequate education and training, to joblessness—in short, to a future that mocks the promise of American life. Individual improvement is needed but it is the cycle of poverty which must be broken.

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[8] Ibid.

Chapter 2

ANTIPOVERTY STRATEGIES

Since the Economic Opportunity Act was enacted late in 1964, the antipoverty effort has come periodically, if not almost constantly, under discussion. Methods and strategies, but not its objectives, are as always, again being questioned.

Any effort to devise new strategies or to revise old ones must take into account what we have learned to date. In the Council's view, important principles have emerged. They remain the base on which new departures or variations of older methods must be constructed.

Basic is the community action approach, which continues to be essential for an effective antipoverty effort.

Also basic is the postulate that antipoverty programs must remain flexible, multifaceted, and experimental.

Fundamental is the proposition that institutional change is a necessary objective to successful antipoverty programs.

But perhaps the most basic truth is that the level of effort expended, in terms both of money and other resources, has been too low to accomplish the task. This is the critical test: either we find the ways and spend the money to break the cycle entrapping the very poor or our best efforts in other areas will be doomed to empty victories.

Information gathered and received during the past year, since this Council published *Focus on Community Action,* supports the soundness of the conclusions of that report.[9]

A Multifaceted Attack

The data on hunger and malnutrition suggest the need for a massive assault on hunger. The figures on employment and income suggest a major effort in jobs. The lack of economic opportunities in urban and rural poverty communities suggests a special thrust toward economic development. The sense of alienation felt in many black communities suggests programs oriented toward "black capitalism."

Most, if not all, of these programs are necessary and desirable. But none, by itself, would be enough.

a) Food and Jobs

A food distribution program alone would have little effect on the related problems of malnutrition and parasite infestation in South Carolina. That food is necessary is not questioned. But a physician at the South Carolina State University, a specialist in nutrition, recently said,

[9] The National Advisory Council on Economic Opportunity First Annual Report, Washington, March 1968. The Conclusions, Recommendations and Premises of that Report are attached as the Appendix to this Report.

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"Among the other necessities . . . are adequate housing, community water supply, sewerage and waste disposal systems, job training and possibly farm cooperatives, day-care centers rural, health centers and effective community organization."[10]

Nor are jobs alone enough. *Focus on Community Action* gave considerable attention to the question of whether a man with a new job was necessarily on his way out of poverty. Matters of an individual's job motivation and incentive and his problems as a consumer, as a family man, and as a citizen will, as much as his new job, affect his escape from poverty.[11]

*b) "Black Capitalism"**

Programs for black capitalism are being proposed to supplement or to replace some elements of the antipoverty effort. Any method designed to extend the participation of blacks and other excluded minorities in our national economic life is to be welcomed. But it is no panacea.

Black capitalism cannot produce large numbers of wealthy black Americans in any short period of time. Furthermore, the emphasis on wealth and power arising from ownership may be misplaced. In our society, managers rather than the owners of huge segments of our economic resources tend to exercise power. Ownership of small businesses is of questionable importance in this connection, especially in the context of the current high rate of small business failures.

But the idea of black capitalism suggests racial separatism. Even though it is doubtful that black communities can support black businesses at significant levels, is the concept socially attractive? What of our goal of a viable integrated society of diverse multi-cultural strands? Black capitalism, and perhaps some temporary separatism, may be necessary to achieve this national aim. But there is serious question as to whether the separatist idea should be allowed to be stated as an official part of our Nation's domestic policy.

Cautions here raised against exaggerating the notion of black capitalism should not be interpreted as condemnation. The concept has much to commend it. Chief among the reasons for praising it is its appeal to the pride of the black community. Self-assurance is a fundamental element in the quest for racial equality in the United States. Programs that provide additional opportunities for blacks to own or manage business enterprises,

[10] *New York Times,* February 20, 1969.

[11] See pages 33 and 34 of *Focus on Community Action* for a fuller treatment of this issue.

* "Black Capitalism" is used here in a generalized sense to refer to proposals for expanding ownership of business enterprises among blacks—business enterprises operated in black communities by black people to provide goods and services primarily for the residents of the community. In official parlance, the term "black capitalism" is being replaced by "minority business enterprise". This changing terminology is noted. However, it is useful for our purposes here to employ the term "black capitalism."

not only in their communities but also in the wider community, will help develop self-confidence. Furthermore, opportunities for the present generation of black men will provide models and motivation for members of the younger generation to develop and achieve. These are desirable goals in their own right. But beyond, they should aid in the ultimate reconciliation of our society.

It may appear that these arguments are contradictory. On the one hand, there is no reason to include the separatist idea in national policy; on the other, there is no question of the value of developing racial pride and confidence. These points are not antithetical. It may be necessary for some time "to work both sides of the street." There must be a sustained effort to continue to press for a truly integrated, multi-racial society where men can work, cooperate and compete as equals. But some separatism may temporarily be needed to achieve the ultimate goal.

On the relationship of black capitalism to antipoverty policy, black capitalism is closely connected with and is an extension of community action, but not a replacement for it. Black capitalism will not involve enough people or touch the hard-core poor. Suggestions that profits of new businesses to be established in our urban ghettos may help finance antipoverty social services seem unrealistic.

It will take time for businesses established under black capitalism to show profits. When this occurs, business practice indicates that profits should probably be plowed back into the enterprise for expansion.

Some supporters of legislation to promote black capitalism believe that the financial arrangements would free the poor black communities from dependence on the funding vagaries of Federal agencies. But it takes no profound analysis of the proposed Community Development Corporation Act to reveal that fiscal arrangements will continue to depend on the approval of Congress and the normal appropriations process.

Black capitalism itself is a form of institutional change—and, in the best sense of the term, a needed one. But its effect on other institutions is impossible to predict.

Conclusions

An analysis of proposals—food, jobs and black capitalism—indicates their interrelationship. Each may be desirable, but none alone can be more than palliative.

"Cold cash" alone will not be sufficient. Additional income can be used to buy additional goods and services and will relieve some of the misery of poverty but it is doubtful that minimal income supplements would begin to meet needs in health care, education and housing. Families brought marginally out of poverty will need consumer education and social services. They will need to develop incentives to work and to achieve.*

* A presidential commission is now studying income maintenance and will consider these issues.

The principle, however is clear. Antipoverty programs must remain flexible and multifaceted.

Antipoverty efforts must be made on a broader scope than money and service. Though a good deal of its effort is by definition economic, the Office of Economic Opportunity is obliged to concern itself with the broadest interpretation of poverty and, thus, is bound to raise issues that are relevant to institutions of the entire body politic.

Continued Emphasis on Institutional Change

In Chapter 1, this Report cited examples of how hidden and how distant the very poor in America are. It emphasized how crucial it is not only to serve the poor but to interrupt the cycle which threatens to lock disadvantaged children into the same circumstances as their parents.

It is clear that there are thousands of institutions which serve the poor—federal, state, local and private. It is less clear how many of these institutions reach all the way to the very poor, or how many provide cycle-breaking instead of merely ameliorative assistance. The former is more difficult and more expensive. Extra manpower, extra effort and extra time are required to go to where the poor are instead of waiting for mothers and fathers and children to "come in and apply."

Even institutions dedicated to providing human resources services suffer from the universal bureaucratic tendency: to serve their most visible clients first. Their time tends to be preempted in helping those who are most readily at hand, or most demanding. The hidden poor—distant, alienated, apprehensive—tend to be reached last, if at all.

The following illustration is from a school in a large midwestern city: The speaker is a representative of a national women's group concerned with school lunches.

> "I questioned the principal about how they identify the children for free lunches. A letter is sent home telling parents they may apply. If they come to school and apply, they are then investigated by the school social worker, and if found eligible are given free or reduced lunches. So few apply that the social worker rarely is busy on her three afternoons a week that she spends at the school. The principal was appalled when I asked [him] if she spent any time trying to find out who the hungry children were."[12]

When the Council speaks of institutional change it does not mean the radical overthrow of existing institutions. Institutional change here means modifying the policies and operational habits of service systems, whether governmental or private, changing their priorities and their budgets to ensure the most effective use of their resources in breaking the cycle of poverty for even the most timid and isolated of our citizens.

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[12] *Their Daily Bread,* Report of the Committee on School Lunch Participation, New York, 1968, page 75.

The widespread prevalence of hunger illustrates the need for institutional change. Agricultural policy regarding surplus food is sometimes said to be more concerned with maintaining price levels for agricultural producers than with feeding the poor. For food stamp and commodity distribution programs to become operative, they require the cooperation and participation of local government officials, generally of a county. Some local officials, despite overwhelming evidence to the contrary, still deny that hunger is a problem. They have refused to apply for programs. Although the U.S. Department of Agriculture has long maintained that the law prohibits its operation of food programs without an application from local officials, and that it has no authority to intervene in local situations, the Department has at last, on an experimental basis at least, changed its policy to respond to the needs of the poor.

Thus, an institution is modified. This example of institutional change in the making has come about because of a monumental effort to alter behavioral patterns no longer realistic but operating out of custom and habit. This effort required new research inside and outside the Government, for example by the Citizens' Board of Inquiry and the *New York Times*, and through the new survey undertaken by the U.S. Public Health Service; it required forceful representations, some of them abrasive, such as the Poor People's Campaign and the concern of the Office of Economic Opportunity. It required political efforts within the Congress, for example the public hearings and field investigations of the Senate's Select Committee on Nutrition and Human Needs.

The Council would ask: how many other of America's service institutions are still today too much like the school social worker or the food distribution apparatus?

Conclusion

Institutions, shaped by history, pressure and habit, tend to become passive in their ways, indifferent to their most difficult tasks. In the context of antipoverty programs, institutions necessarily find it easier to serve the motivated and easy-to-reach poor, difficult to make contact with the very poor. It is easy to provide the temporary relief type of assistance; it is difficult to start the comprehensive series of community and governmental actions needed to prevent poverty. But the more difficult tasks are the necessary ones.

Antipoverty efforts, no matter how innovative, cannot succeed unless institutions innovate also.

Level of Effort

As part of its five-year antipoverty planning required by law, the Office of Economic Opportunity develops figures on what is called the "universe of need," in each program area, that is, the number of individuals requiring services. For each major category of need, OEO then estimates how many of these will be served realistically at the level of the budget proposed. The

following table shows the universe of need and the expected impact of programs for the current fiscal year.

Program	Universe of Need	FY 1969 Program Impact	% of Universe of Need
Work & Training for Youth & Adults	5,700,000	645,000	11.30
Head Start (Full year only)	1,373,000	213,000	15.50
Legal Services	5,000,000	600,000	12.00
Family Planning	5,300,000	300,000	5.66
Upward Bound	600,000	26,000	4.30
Comprehensive Health Services	20,500,000	1,500,000	7.32
Migrant Day Care	700,000	13,000	1.86
Migrant Housing (Housing Units)	245,000	1,130	0.46

Source: OEO

Conclusions

1. The gap between need and resources presently committed is shocking.

2. Public knowledge of the poverty problem appears to be increasing, but efforts to develop further the public's appreciation of the presence and pervasiveness of poverty must be augmented. Only when we have widespread knowledge and understanding of the reality of poverty can we have public support for the necessary increase in funds to meet the known needs.

3. However varied the approaches to breaking the multifaceted cycle of poverty, they all must have one ultimate goal: the encouragement or enrichment of the incentive for self help on the part of the poor. Only by attacking the impoverishment of motivation among the poor is the final goal of the elimination of poverty feasible. Antipoverty efforts should be distinguished from traditional and merely ameliorative welfare benefits by being directed to stimulating motivation and hope.

PART II / ORGANIZATION

Chapter 3

FEDERAL ANTIPOVERTY ORGANIZATION

OEO's Inconsistent Missions

The Economic Opportunity Act of 1964 which created the Office of Economic Opportunity assigned the Office two types of duties that are inconsistent with each other: acting as an arm of the Presidential staff and operating experimental programs.

As part of the Executive Office of the President, OEO was instructed to:

- "assist the President in coordinating the antipoverty efforts of all Federal agencies"
- "insure that maximum use is made of Federal programs related to this Act and that information concerning those programs and other relevant information is readily available"
- "prepare a five year national poverty action plan showing estimates of federal . . . expenditures . . . needed to eliminate poverty in this country within alternative periods of time" including "estimates of funds necessary to finance all relevant programs authorized by this and other Acts, and any new programs which may be necessary to eliminate poverty in this country . . ."

In addition, OEO was directed to operate specific programs of its own:

- Job Corps
- VISTA
- Community Action Programs

costing some $1.3 billions and dedicated to:

(a) "initiating and sponsoring projects responsive to the needs of the poor which are not otherwise being met"

(b) "developing new approaches . . . that can be incorporated into other programs."

Whether a single agency under a single Director can best perform those vastly different missions has become increasingly dubious.

To help the President to coordinate a variety of programs, to prepare a five-year plan cutting across all departmental lines, to collect from many other sometimes jealous agencies candid data about their program operations are duties requiring objectivity, diplomacy, and self-effacing preoccupation with administrative processes.

But to use funds to search out and meet unmet needs of the poor, to develop new approaches for existing programs are tasks demanding courage to originate projects that will be branded as competing with the established programs, as well as a type of crusading eagerness to challenge the inertia of existing institutions.

Initiating, conducting, and defending with the necessary enthusiasm such operating programs as Job Corps and Community Action have preempted OEO's energies at the expense of the impartiality required of an evaluator and coordinator.

Recognition of the danger of such distortion has with few exceptions led the units of the Executive Office of the President ever since 1939 to eschew the conduct of operational programs.

Yet both tasks are needed; both functions must be performed. And despite the difficulties, OEO has discharged its responsibilities with considerable skill and credit.

In the area of Presidential staff functions, the Office of Economic Opportunity has instituted several pioneer efforts. For the first time in the history of American public administration it has

- developed and published a concise catalogue of all the domestic Federal assistance programs in the social and economic sphere, a listing that has been widely used on the Federal and local levels.

- assembled in one series and made available for public use the known Federal data on the social and economic condition of every county in the nation, 3200 counties in all.

- compiled and published a statement of every domestic Federal expenditure in each county of the nation, regardless of program or agency.

- scrutinized on a cost-effective and comparable basis all the human resource programs executed by all Federal agencies.

- made annual five-year plans estimating the costs and suggesting relative priorities of human resources programs.

As an interagency coordinator, OEO has had less success. It has negotiated bilateral operational agreements with other Departments. Its Office of Governmental Relations supports coordination efforts on a limited basis. But its principal policy coordination mechanism, the Economic Opportunity Council, has failed to live up to expectations, primarily because the Council, although established by statute, was nothing more than a group of peer agencies. The Director of OEO was the chairman of the Council but he lacked the authority to shape the body into a vital instrument of policy. Although the Council at one time was exhorted to act like the "domestic National Security Council for the war on poverty," it has met only twenty times since it was established. Section

631 of the 1967 Amendments to the Economic Opportunity Act gave the Council a more lengthy and explicit mandate, but the Council has held no meetings since December 1, 1967.*

Conclusion

The Office of Economic Opportunity is hampered by endeavoring to fulfill two inconsistent missions. Each task inhibits maximum fulfillment of the other. Continued assignment of both functions to a single agency seems questionable.

The Urban Affairs Council

On January 23, 1969, the President created the Urban Affairs Council composed of the Vice President, the Attorney General and the Secretaries of Agriculture, Commerce, Labor, HEW, HUD, and Transportation. It is chaired by the President, and is aided by a staff of about ten officers, headed by the Assistant to the President for Urban Affairs. According to the President's Executive Order, the Council will "assist the President in the development of a national urban policy"; it will also "promote the coordination of Federal programs in urban areas."

Since the Urban Affairs Council enjoys Presidential authority and staff support, it has the opportunity to create an interdepartmental community of shared information and to inculcate throughout the bureaucracy the habits of working across departmental lines instead of separately.

Hopefully, the Council will accelerate not only its policy studies but the reforms necessary in operational coordination among the member departments.

The Council will be aided in this task if it takes advantage of a resource now available. This is that part of the OEO which has been handling the Presidential staff functions described above.**

The Need for an Independent Antipoverty Agency

In its first chapter, this Report has described how distant the very poor in America are. We have stressed how innovative our institutions must be in order not just to meet the needs of the visible poor but to reach the hidden poor as well, and to offer cycle-breaking services, not merely relief. In Chapter 2 we gave evidence of the built-in tendency of even service institutions to become indifferent, to overlook their most difficult tasks. It

* It is regrettable that the Director of the Office of Economic Opportunity has had to serve in an acting status for over a year, and that the Office still has only an Acting Director in command. When so prolonged this cannot fail to hurt the status of the Office and its programs, although the incumbent Acting Director has served with the greatest distinction despite this handicap.

** The National Security Council staff and the Office of Science and Technology are two precedents for how an Executive Office staff can serve a Presidential Assistant.

is in this sense that antipoverty institutions must constantly change, must be resensitized.

Yet institutions do not resensitize themselves; some outside force must operate to bring this about.

In broad organizational terms, we must so structure our human resources agencies as to build into our system what might be called an "independent reminding influence" with precisely the responsibility set forth in the Economic Opportunity Act: for "initiating and sponsoring projects responsive to the needs of the poor which are not otherwise being met" and for "developing new approaches."

An operational agency with a specific antipoverty focus is needed. It should be outside the Executive Office of the President and separate from the Cabinet-level Departments. Such an agency would be immensely valuable as an antidote for the tendency of the public servant on every governmental level, Federal, State and local to concentrate only on the easiest part of the antipoverty task.

Its leverage for change would lie not only in its statutory mandate, but in its independent ability to commit funds and show by demonstration that new methods can be more effective than old.

At the Washington level, the Office of Economic Opportunity (or its successor agency), if freed from Executive Office responsibilities, would be particularly qualified to fulfill these functions since it operates the Community Action Program which is dedicated to innovation. In fact, the Office already performs in this manner.

When a graduated work incentive arrangement was suggested as a better device than the old-fashioned welfare system it was the Office of Economic Opportunity rather than the Department of Health, Education and Welfare which moved quickly to set up and fund in New Jersey what may well become a significant field experiment. Neighborhood health and service centers, outreach, the extensive use of non-professionals, and the idea of citizen participation are some of the experimental concepts and techniques pioneered and proved by the Office of Economic Opportunity. These and others are now being incorporated into the methods and practices of the traditional Cabinet-level Departments.

Conclusion

Yesterday's new ideas become today's programs but tomorrow's red tape. An independent agency at the national level dedicated to creative innovation will best ensure that the "invisible" poor, who most need attention, will not be overlooked. An Office of Economic Opportunity (or suitably named successor) should continue as an independent reminding influence at the seat of government and for this purpose should retain the Community Action Program together with its present broad authority to initiate pilot and demonstration programs.

Transfer vs. Delegation

If the President and Congress should judge that some OEO programs ought to be incorporated into similar programs in the established Departments, for example, Upward Bound, Job Corps, and Head Start, what is the best way of doing so?

There are two methods for such incorporation transfer, which deprives the original parent organization of all control in the future, or delegation which shifts a program under a contractual arrangement that sets certain standards of future maintenance.

Delegation rather than transfer is to be preferred if the Council's basic principle of preserving the Office of Economic Opportunity as an independent reminding influence is to be kept effective. Any delegation agreements for antipoverty programs should be drafted to require the Office of Economic Opportunity (or its successor) to set up guidelines, dispense funds and monitor performance in such a way as to ensure that a Department operating a delegated program keeps its focus on the needs of the very poor.

The President has announced that Job Corps will be delegated to the Department of Labor on July 1, 1969. It might be tempting for the program administrators to cut costs by raising the mental, moral and health standards for admission. Such action would of course defeat the basic purpose of the Job Corps, which is to give young men and women one more chance to grasp the lowest rung on the ladder of opportunity. OEO should retain enough control over the program to insist that it concentrate on the young people who need help most.

Similarly, it might seem attractive to the new administrators of Head Start to cut costs by dispensing with some of the components of the program, e.g., comprehensive social services to Head Start families in their homes, involving parents in planning their own school programs, or stimulating them to improve their communities. But to forego these activities would be false economy, for parents in hundreds of communities would once more view their schools as part of a distant and indifferent establishment. OEO should be empowered to guide the Head Start program away from such false economy.

A corollary also emerges. Should the President conclude that some human resources programs now being operated by existing Departments are badly out of focus in terms of responsiveness to the needs of the poor, he might well move them temporarily into OEO. A possible example is the government's food distribution programs.

The President might assign responsibility for the field operation of certain programs to local Community Action Agencies in order to ensure a concentrated effort to break the cycle of poverty rather than merely to ameliorate it. The President's announcement of his intent to permit the Head Start program and perhaps others to be so administered fits this category.

The Office of Economic Opportunity or its successor agency should retain an overall responsibility for development of pilot or demonstration

programs in any of the human resources areas, regardless of where or how operating programs are delegated. Innovation is a pervasive task; there should be no jurisdictional limits on OEO's authority to conduct research and demonstration projects.

This effort, however, will require a special concentration of supervision, auditing and staff orientation. Much of the administrative weakness uncovered by the General Accounting Office in its recent report is attributable to the sponsoring department's lack of intensive monitorship, rather than to any inherent unsoundness in the concepts of the experiments. Meticulous management, however, is expensive.

As research and demonstration activities increase in magnitude and importance in OEO's mission, the agency should develop and publish a description of its methods for planning, conducting, and managing its research and demonstration projects. This description should also contain information on how the results of such projects are used.

Coordination at the Federal Regional Level

Section 605 (a) (2) of the Economic Opportunity Act specifically instructs this Council to review and make recommendations concerning "the coordination of such [OEO] programs with other Federal programs designed to assist low-income individuals and families." Three Departments, Labor, HEW and HUD, and the Office of Economic Opportunity are principally involved in these programs. While coordination among these four organizations in the Capital appears to be strengthened by the formation of the Urban Affairs Council, interdepartmental cooperation at the regional level, where programs actually operate, is much less developed.

Some of the barriers to effective regional coordination among the Federal human resources agencies include differences in structure and practice.*

a) Regional Boundaries and Headquarters

Regional boundaries do not coincide. The Labor Department has eight regions, HEW has nine, HUD has six, and OEO seven. In only four cities—Chicago, San Francisco, Atlanta and New York—are regional headquarters of the four antipoverty agencies co-located. To discuss a program involving all four agencies in Salt Lake City, for example, the OEO and Labor Department Regional Directors in Kansas City have to consult the HUD Regional Director in San Francisco and the HEW Regional Director in Denver.

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* On March 27, 1969, the President announced the signing of a directive which will answer the problem identified in subparagraph (a), and which sets the stage for long-term action on other problems raised in this section.

b) The Degree of Delegated Authority from Washington

The OEO and HUD Regional Directors are generally authorized to approve and fund grant applications from organizations in their regions; research and demonstration grants are usually reserved for Washington decision, but even then the Regional Directors involved are normally consulted in advance.

In contrast, a typical HEW Regional Director presides over a group of offices of 450 specialists, all negotiating with each state in the region to develop as many as thirty-nine separate and distinct "State plans" individually authorized in various Federal statutes. These include Services to Needy Families, Maternal and Child Health Services, Vocational Rehabilitat on Services, Comprehensive Public Health Services, Vocational Education, Public Library Construction, Education of Handicapped Children. Once negotiated, each plan for each State is sent directly—not through the Regional Director—to the corresponding specialist office in Washington. There it is funded in the name of the Secretary. In addition to these thirty-nine specific programs, other special project grants are funded from Washington. The Regional Director has no authority to change them. Nor does he have command authority over his staff.

To cut across these hardened categorical lines is next to impossible. Should an OEO Regional Director propose to his HEW counterpart a coordinated regional package of programs to meet the special needs of the very poor, or should a HUD Regional Director suggest a closely-integrated interdepartmental package addressed to certain key areas of a city, the HEW Regional Director is nearly helpless to respond.

Coordination flourishes only with authority and support of top leadership. But the Secretaries of Labor and HEW have not yet used the statutory authority they already have to knit together resource-allocating components at the Regional level.

The Advisory Council on Intergovernmental Relations observed in its tenth annual report last month:

> In mid-year the Secretary of HEW, responding to powerful national education groups, ordered administration of the Elementary-Secondary Education programs be withdrawn from regional offices back to Washington. The complex of interests—middle management program administrators at all levels, Congressional subcommittees, and pressure groups—that coalesce around the individual grants carried the day far more times than the top policy-makers. Thus, more often than not, efforts to achieve a simplified, more flexible Federalism were thwarted.[13]

c) Lack of Flexible Funds

Regional Directors are often presented with well-justified requests for funds to meet local needs which fit no predetermined categories. Dayton, Ohio, for instance, recently asked for help to establish a City Ombudsman, plus a small staff together with liaison personnel to link his office with the

[13] Advisory Commission on Intergovernmental Relations, *10th Annual Report*, January 31, 1969, p. 8.

community action neighborhood centers. The purpose of the request was to reduce tension in the city. The application did not fit into any of the usual project categories. Fortunately, the Economic Opportunity Act permits flexible response, and OEO's Great Lakes Regional Director had some funds in reserve and not specifically obligated. With these limited resources as a minimum base, he was able to attract some money from a private Foundation and from another source. This enabled him to support a project of great promise. All Regional Directors should have this capability for flexibility.

Section 612 of the Economic Opportunity Act as amended facilitates joint funding among the several human resources agencies to a Community Action organization or similar group. The Council understands that the initial implementing regulations are now being prepared.

A Bill (HR 7366) entitled the Intergovernmental Relations Act of 1969 has been introduced in Congress. Titles VIII and IX of this Bill authorize consolidation of Federal assistance programs across departmental boundaries, joint funding of related programs within departments, and joint interdepartmental funding of up to 250 demonstration projects within three years. The Council welcomes this proposal as a pioneering move toward assuring flexibility and responsiveness in Federal human resources programs.

d) Specialists vs. Generalists

The professional civil servants in the Regional Offices are largely specialists within specific and somewhat narrow program categories. Their State counterparts are also specialists. Their career ladders are primarily within their specialized areas. They deal with, report to, and are dependent for funds upon corresponding specialist offices in Washington. They all live in particularly close association with specialized nationwide professional organizations. Nothing is more natural than that their professional and emotional tendencies cluster about their specialties.

But who is available to put the specialized pieces together? Who can view program development from an interdepartmental and interdisciplinary perspective? Who is able to assemble from many categories the available resources to meet the interconnected needs of the poor, the whole range of requirements in a Woodlawn or a Watts? The Regional Director is the only one. But he usually lacks a large enough staff to assist him. In the four regional offices located in Chicago, there are some eight generalist staff officers in a total of perhaps 1000 professionals.

e) Lack of a Communication System

Among the domestic human resources agencies, only the faintest beginnings toward a common communications system are being made. Some Regional Directors have instituted an informal "hot line" to their Secretaries in Washington. In most cases, these communications are oral and thus essentially incapable of being shared elsewhere in the department or outside it.

In the four cities where the Federal human resources agencies are co-located, Regional Councils have been formed. Yet even in New York the Regional Directors of Labor, HEW, HUD and OEO met together as a foursome to discuss policy coordination for the first time only last year.

Without implying a copying of the expensive and peculiar national security communications arrangements, it seems obvious that more systematic domestic communications are required at both regional and Washington levels to provide the basis for better programs and policy coordination.

f) Link with Central Staff Institutions

There is almost a void between the Departmental Regional Directors collectively and the central staff institutions of government—the Executive Office of the President and the White House. Some tentative explorations have been made: a Bureau of the Budget representative has visited and aided the four Regional Directors in the Great Lakes Regional Council's beginnings in joint evaluation, studies of program relationships and program coordination.

The Urban Affairs Council has been created in Washington, but at the regional level of the Federal agencies, interdepartmental teamwork is no less important. Such teamwork will grow best when the groups of Regional Directors have some tangible expression of constant White House/Executive Office monitorship and assistance. This could best be provided by at least an itinerant but preferably an in-residence representative with the limited authority characteristic of central staff: to encourage and facilitate coordination and promptly to notify the Urban Affairs Council network if coordination problems arise which are unresolvable at the Regional level.

Conclusion

The coordination of Federal antipoverty programs requires improvement at the regional level. Differences in regional boundaries, in degree of authority extended from Washington, in funding mechanisms, and in administrative structure among the Federal agencies charged with antipoverty programs lead to fragmented, over-specialized, unresponsive and sometimes opposing efforts. The needed reforms can almost all be accomplished by administrative action, spurred by Presidential leadership.

The Council's ideas in this chapter can be illustrated by two organization charts: one showing the concept of the present organization as of January 20, 1969, and one showing the concept of organization proposed by this Council. The second chart shows the already created Urban Affairs Council and the Office of the Assistant to the President for Urban Affairs.*

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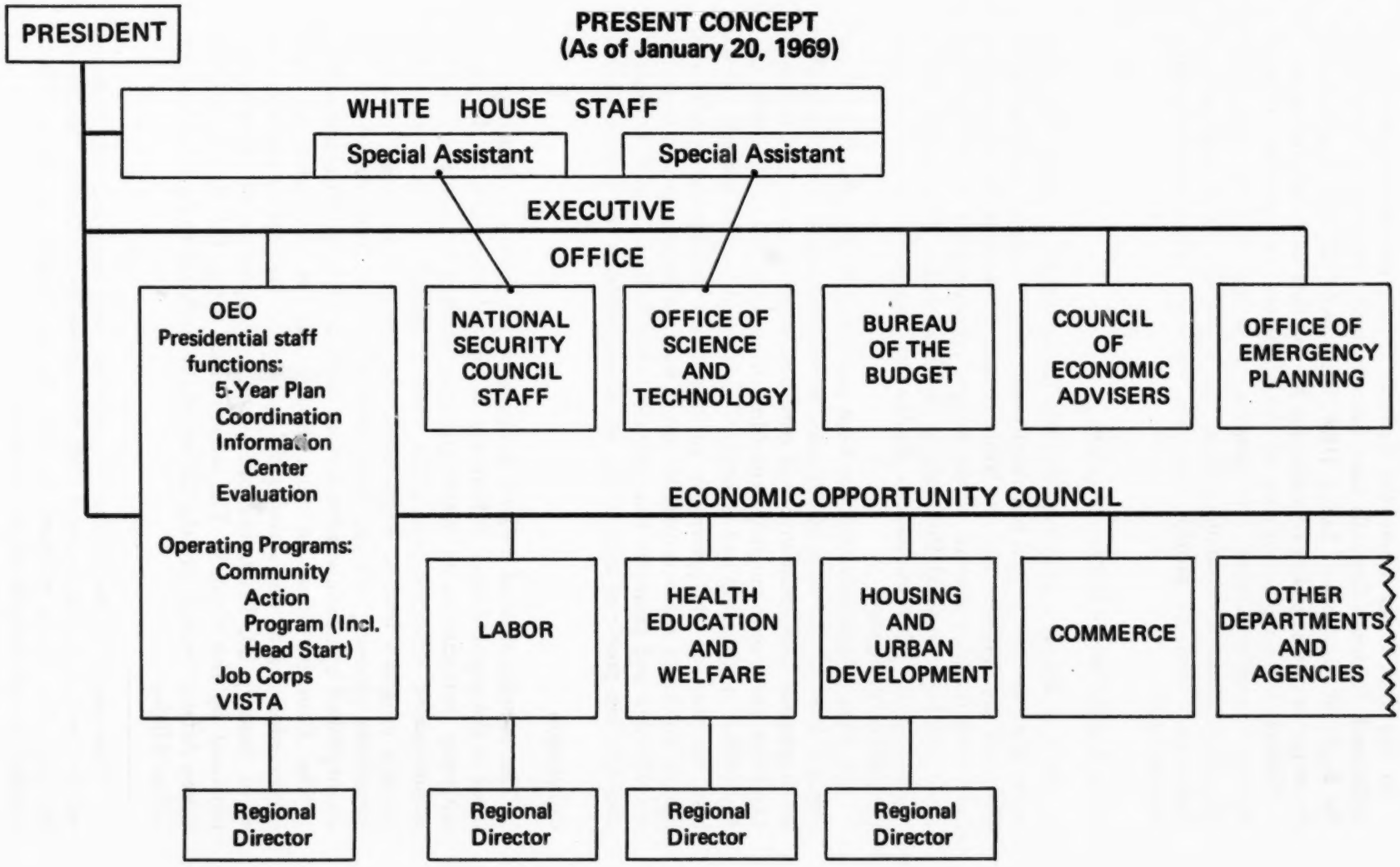
* These charts, and the proposals they represent, were forwarded to the President and the President-elect in December 1968 after approval by the Council. The Council has noted the Report of March 18, 1969, by the General Accounting Office, especially its organizational recommendations.


PRESIDENT
PRESENT CONCEPT
(As of January 20, 1969)
WHITE HOUSE STAFF
Special Assistant
Special Assistant
EXECUTIVE
OFFICE
OEO
Presidential staff functions:
5-Year Plan
Coordination
Information Center
Evaluation
Operating Programs:
Community Action Program (Incl. Head Start)
Job Corps
VISTA
NATIONAL SECURITY COUNCIL STAFF
OFFICE OF SCIENCE AND TECHNOLOGY
BUREAU OF THE BUDGET
COUNCIL OF ECONOMIC ADVISERS
OFFICE OF EMERGENCY PLANNING
ECONOMIC OPPORTUNITY COUNCIL
LABOR
HEALTH EDUCATION AND WELFARE
HOUSING AND URBAN DEVELOPMENT
COMMERCE
OTHER DEPARTMENTS AND AGENCIES
Regional Director
Regional Director
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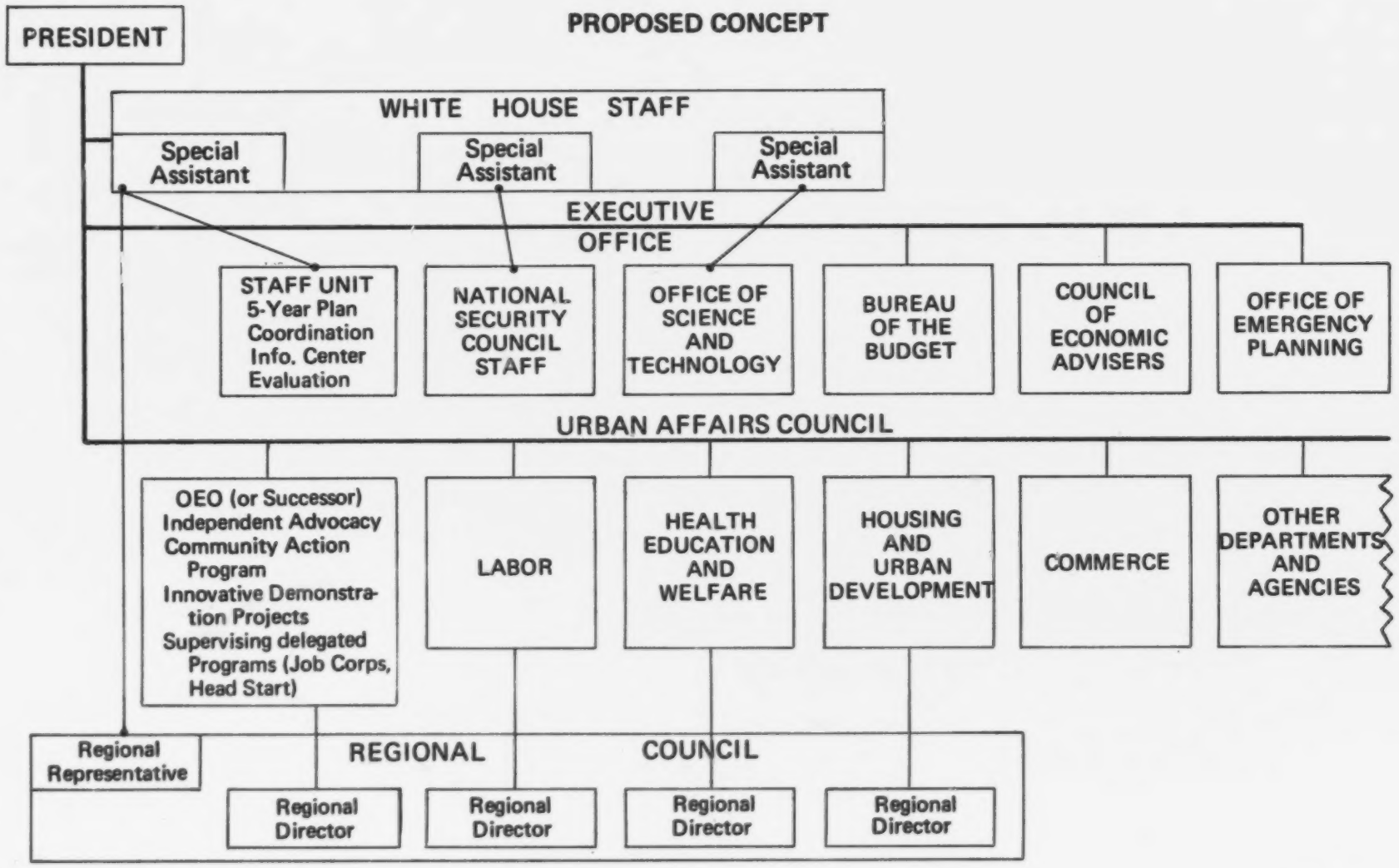
PRESIDENT
PROPOSED CONCEPT
WHITE HOUSE STAFF
Special Assistant
Special Assistant
Special Assistant
EXECUTIVE OFFICE
STAFF UNIT 5-Year Plan Coordination Info. Center Evaluation
NATIONAL SECURITY COUNCIL STAFF
OFFICE OF SCIENCE AND TECHNOLOGY
BUREAU OF THE BUDGET
COUNCIL OF ECONOMIC ADVISERS
OFFICE OF EMERGENCY PLANNING
URBAN AFFAIRS COUNCIL
OEO (or Successor) Independent Advocacy Community Action Program Innovative Demonstration Projects Supervising delegated Programs (Job Corps, Head Start)
LABOR
HEALTH EDUCATION AND WELFARE
HOUSING AND URBAN DEVELOPMENT
COMMERCE
OTHER DEPARTMENTS AND AGENCIES
Regional Representative
REGIONAL COUNCIL
Regional Director
Regional Director
Regional Director
Regional Director

Chapter 4

STATE AND LOCAL ANTIPOVERTY MACHINERY

The State Role

A review of the legislative history of the Economic Opportunity Act, particularly the 1967 amendments, clearly indicates that the Congress has intended an enlarged role for the States in OEO activities. These legislative changes are in some measure a recognition of the important contributions which can be made by State government to these efforts. Such changes, which enable States to exercise more completely their responsibilities, reflect a positive trend toward the creation of a more durable and effective Federal-State partnership.

Although improvements in the field of Federal-State relationships, both legislative and regulatory, are fast occurring, the need is apparent that continual development and further study are required.

OEO's early funding of State offices to provide technical assistance in implementing grants-in-aid within the State was a positive step. Although originally conceived as an adjunct to the Community Action Title of the Act, the role and functions of the State agencies created with these funds (now called State Offices of Economic Opportunity) have been expanded since their beginning in 1965.

Under current OEO directives, each of these offices is responsible for such duties as:

- assisting the Governor in exercising his statutory approval authority and in coordinating State human resources programs
- reviewing each CAP application from any group within the State in the sense of commenting on whether it "complements or coordinates with other current and planned local, State and Federal antipoverty efforts within the State"
- advising OEO Regional Offices in devising ways for State agencies to participate in economic opportunity programs
- acting as "advocate for the poor at State level"
- providing technical assistance to local communities and Community Action Agencies
- surveying and securing "resources and funds for CAAs and other Title II grantees available through State and Federal agencies, local and all other sources."
- operating some specific programs, such as those for migrants.

The tremendous task of eradicating poverty demands the fullest utilization of all resources at all levels of government. Means should be considered that would place the Nation's Governors in a more positive role in the OEO program in order to allow additional opportunities for innovative thought and a broader base of support for the program.

Many studies are now underway to take a fresh look at what the desired and proper role of a Governor of a State should be. After appropriate study, specific recommendations should be made in order to enable States to optimize their abilities to make their unique contribution.

Community Action Agencies

The Community Action program is vital to the success of antipoverty programs at the local level. This conclusion, presented in *Focus on Community Action,* will not be elaborated here. There are, however, certain continuing policy issues.

Coordination is an issue at the local level. Community Action Agencies have the responsibility for mobilizing and coordinating available Federal antipoverty and human resources programs and local antipoverty activities and resources. The CAAs have generally been credited with acceptable work in coordinating and concerting the delivery of services. They have been less successful in coordinating Federal programs as part of their program planning. This coordination requirement may be unrealistic; it may be an impossible assignment for CAAs to carry out. Consideration might be given to the possibility of formally assigning this coordination function to some unit of local government.

Evaluation of the accomplishments of the community action program is a subject of wide concern. The program has goals which are difficult to measure through normal quantitative and statistical methods. At a point early in the history of CAP, there was a tendency of some to fault the program for being unable to report its accomplishments and failures in precise terms. However, as more people both within and outside of the program have attempted to measure its work, awareness has grown that tools for such measurement were rudimentary or nonexistent.

OEO, through its own staff and through private contractors, is trying to develop better tools for evaluation. OEO's Office of Research, Plans, Programs Evaluation is now engaged in a long range research project in four subject areas basic to any evaluation of CAAs:

- How much change has taken place in institutions dealing with the poor, and what form have these changes assumed?
- What role has CAP played in bringing about these changes?
- What activities (or aspects) of Community Action Agencies have been associated with institutional change?
- Which characteristics of community structure may account for these changes or for a Community Action Agency's inability to produce them?

That these are complicated questions hard to measure is obvious. The research is as much concerned with finding ways to develop answers as it is with the answers themselves.

Work is not far enough along in this 2 to 3 year project to provide any definitive results, but early evidence would indicate that CAP is not a powerhouse in producing institutional change, but it is not insignificant either.

The Council, in original research of its own, has looked at maximum feasible participation, which is both a method and a goal of CAP. We found that the representatives of the poor who are now serving on CAP boards in 40 communities are by and large poor people living in poor neighborhoods. There are some exceptions in the South and Southwest. We also found that in the early stages of CAP, CAAs had difficulty in attracting poor whites and other non-black minorities into CAP activities; this appears to be changing, and there is growing participation by all elements of the poor community. With regard to participation of the poor in CAA board and neighborhood council activities, we found good attendance and discussion on the part of the representatives of the poor at CAA governing board meetings. Participation was not as good at neighborhood meetings. Our data does not provide enough information to make judgments about the quality of such participation.

Progress is being made in developing methods and techniques for evaluating CAP and other OEO programs. It is slow and costly. But the slow pace and the high cost do not lessen the urgent need for continuing and effective evaluations.

The Economic Opportunity Act Amendments of 1967 added a new requirement that a Community Action Agency would have to be a State or political subdivision of a State or a public or private nonprofit agency designated by the State or political subdivision.[14] This requirement, the so-called Green Amendment,* proved to be among the most controversial of the 1967 Amendments.

Many observers were concerned that as a result there would be a wholesale takeover of CAAs by local or State governments and that the independence and the effectiveness of the Community Action Program would be compromised as a result.

This Council viewed the 1967 Amendments as offering an opportunity for a new and improved relationship between CAAs and local governments, yet urged a careful monitoring of their implementation.[15]

The record shows that there was no great takeover of CAAs by local governments. According to figures released by OEO, 98 percent of the then existing CAAs were designated as the officially recognized CAAs by local governments. Only 19 new designations were made by local governments and not all of these were changed from private nonprofit

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[14] Sections 210 and 211 of Title II-A of the Economic Opportunity Act, 42 USC 2790.

* After its author, US Representative Edith Green of Oregon.

[15] For full discussion see pp. 29-33 of *Focus on Community Action.*

agencies to public agencies. In some instances new private nonprofit groups were designated. In 12 cases the Director of OEO used authority granted him under the law to by-pass local government designations.

The 1967 Amendments required that OEO evaluate their implementation through a private contractor and report the findings to the new Congress in 1969. This report was recently completed and released to the public.[16]

The study involved a sample of 53 CAAs chosen as a cross-section of all CAAs. Of these, 46 were agencies designated as CAAs by their local governments; 7 represented new designations. Of the latter, 3 public, meaning governmental, CAAs were designated to replace private nonprofit groups; 2 were private nonprofit to replace other private nonprofit groups; and no decisions were made regarding the remaining 2.

The results showed:

1. That to date there were few negative results of the implementation:
   - Local public officials did not achieve a significantly greater degree of influence over CAAs as a result of the Amendments; their power and influence had already grown through other avenues.
   - Board structures were changed and more public officials now serve on governing boards but representatives of other groups feel that their control and influence have grown as a result of greater access to public officials.
2. Longer range and possible negative consequences are hard to measure or predict. These problem areas are suggested for continued analysis:
   - The influence and participation of private sector representatives may be diminished as a result of a loss of board seats.
   - The continuing threat of takeover of CAAs by local governments may jeopardize the agencies' mission of advocacy and institutional change.
   - The ability of the CAAs to protect the poor from arbitrary action and to mobilize local public and private resources may be compromised.
3. Public officials, CAA officers, representatives of the poor and others feel that a number of positive results have occurred from the adoption of the Amendments. These include:
   - improved coordination
   - more effective programs
   - better mobilization of resources
   - more institutional change

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[16] "Study of the Effects of Sections 210 and 211 of the 1967 Amendments to the Economic Opportunity Act as Required under Section 233(c) of the Amendments", Daniel Yankelovich, Inc., New York, Feb. 1969, 3 vols.

This study of the implementation of the Green Amendment began in April 1968, three months before the Amendment was finally in effect, and data collection ended in January 1969. The period of time involved is too short for a definitive assessment.

At this point, though, on balance, the effect of the Amendment has been positive. It also suggests areas for continued monitoring.

Two additional aspects merit comment. The community action program is new, having been in existence a little more than four years. The programs and the people who run them sometimes make mistakes and mishandle funds. It is clear that these programs need both supervision and technical assistance in greater amounts than OEO has been able to provide. We urge that sufficient funds and personnel be made available for closer supervision and more frequent auditing of CAAs and that more technical assistance be offered.

Finally, we return to another theme of this report. Advocacy by and for the poor is a primary role of CAAs—a role that should not be lost in any quest for efficiency and improved organization. Some tentative recommendations have been made to merge CAAs and/or their functions into Model Cities Community Demonstration Agencies. We are opposed to such recommendations.

Neighborhood Issues—Decentralization and the Idea of Community Control

The idea of bringing decision-making powers back to community levels has been increasingly advocated, not only in the national political platforms of last year, but in the cities of the nation. Neighborhood groups are calling for schools, hospitals, and other municipal functions to be decentralized so that control can rest with the neighborhoods directly affected. New York City suffered through a prolonged civil controversy over just this issue and that controversy was heightened by extremist statements and behavior by the opposing factions.

The Advisory Council on Intergovernmental Relations has recently recommended

> The enactment of State Legislation authorizing large cities and county governments in metropolitan areas to establish neighborhood sub-units of government with limited powers of taxation and of local self-government with respect to specified and restricted functions including the administration of specified portions of Federal, State and local programs. Such sub-units would be dissoluble by the city or county governing body at any time.[17]

OEO programs have given impetus to the idea of decentralization.

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[17] Advisory Commission on Intergovernmental Relations, *Fiscal Balance in the American Federal System,* October, 1967. Vol. 2, "Metropolitan Fiscal Disparities," p. 16.

Local one-stop centers for health and other services are being established in some 800 urban neighborhoods. Other Federal and State service programs are being decentralized in a physical sense.

To help manage these centers and the community action programs of which many are a part, some 1000 neighborhood advisory councils have been established—where neighborhood residents meet and discuss how both Federal and local programs can better meet their needs.

Some of these advisory councils have matured to the point where they have become neighborhood corporations chartered under State Laws. Increasingly, Community Action Agencies are contracting with these neighborhood corporations for the specified performance of services and other community action functions.

In the last session of Congress, a proposed Community Self-Determination Act was introduced under which a Federal Corporation would charter local community development corporations. Among possible functions are undertaking certain civic or educational responsibilities. This Bill will probably continue to receive national attention.

Thus "neighborhood control" is a slogan with a history. But there has been practically no analysis of what it really means. What functions are to be controlled? Control to what degree? Are there any functions over which a neighborhood group could possess truly sovereign control? Probably not, but there might be a sliding scale of degrees of control, from a minimum of regular advice to a maximum of firm, standing delegations, which a neighborhood organization could exercise.

The Nation needs a thorough, rational public discussion of the fundamental advantages and disadvantages of moving to set up what would be essentially new political sub-units of government on the American scene.

This question is raised to call attention to the issue and to note that no policy guidance has yet been developed in the Federal government as to whether its program administrators should resist or support the growing pressure for decentralization. Hundreds of federally-assisted programs could be reviewed to see how they could contribute to or retard the idea of neighborhood decentralization. Drifting without steering is cautioned against. Early planning and leadership by Federal administrators could obviate the extremes of community animosities.

Conclusion

Decentralization, including the concept of neighborhood control, is on the national agenda and it must receive prompt study and analysis.*

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* The Council's staff has prepared an analytical paper on this subject. While it has not been formally approved by the Council and therefore does not necessarily reflect Council views, it may contribute to public discussion and is being made available at this time as a separate appendix paper. It was forwarded to the President and the President-elect in December, 1968.

APPENDIX

APPENDIX

Excerpt from *Focus on Community Action,* the 1968 Report of the National Advisory Council on Economic Opportunity

CONCLUSIONS–RECOMMENDATIONS–PREMISES

We conclude that:

1. The Office of Economic Opportunity is an essential tool in the national effort to eradicate poverty.

2. The Office of Economic Opportunity represents a unique governmental approach toward solving a major social problem. Its programs have been experimental and innovative, and they must remain so.

3. The Community Action Programs of the Office of Economic Opportunity are the most promising development of the war on poverty because they have:

- proved the need for total community involvement, including government, the poor, the private business sector, and the traditional social agencies in multiple approaches to solving local problems;

- provided a forum and a vehicle for representatives of the poor to be involved in local decisions affecting their lives;

- emphasized local initiative and maximum feasible participation of the poor in planning and executing the programs designed to help them break out of poverty;

- developed and tested new techniques for combating poverty, including neighborhood centers, neighborhood corporations, resident nonprofessional workers, and "outreach" as a new mode of communications to the poor;

- encouraged flexibility, innovation, and creativity in approach, method, organization, and operations.

We recommend that:

1. The antipoverty programs, especially community action, remain flexible, multifaceted, and experimental in nature, whether executed by existing or new organizations. No single-strategy approach will work.

2. The basic idea of community action–community involvement and maximum feasible participation by all elements of the local community–be preserved and strengthened.

3. At least 50 percent of funds appropriated for the community action programs be made available for funding locally initiated projects, in order to strengthen the principles of local initiative and maximum feasible participation.

4. With respect to the 1967 amendments to the Economic Opportunity Act:

a. Public hearings involving all elements of the community precede actions to designate either the local government or a private nonprofit group as the Community Action Agency:[1]

b. The Office of Economic Opportunity extend cooperation on a continuing basis to local governments administering the new requirements, and render technical assistance to any local government deciding to designate itself or a new agency as the Community Action Agency—in order to insure that the principle of maximum feasible participation is not inadvertently compromised in the transition from one type of agency to another.

c. The Director of the Office of Economic Opportunity monitor closely the execution of these amendments, and that he use his bypass authority in cases where the role of administering boards is abused or where the ability of a Community Action Agency to press for change is compromised to the point of ineffectiveness.

d. The Director issue a regulation requiring that local designations of Community Action Agencies be effective until the end of the program year.[1]

5. The Office of Economic Opportunity review and revise its communications to the public and to the field to assist local Community Action Agencies to improve public understanding of poverty problems at the community level and of the operation of local programs to combat them.

6. The Office of Economic Opportunity, the Departments of Commerce and Labor, and representatives of national business and labor organizations, including the Urban Coalition, develop, maintain, and frequently publish an inventory of private sector participation in local antipoverty programs to provide not only information on present participation but also guidance for the future.

7. Local affiliates of the National Alliance of Businessmen and similar organizations become closely associated, both formally and informally, with local Community Action Agencies.

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[1] The Council notes that the Office of Economic Opportunity has recently issued guidelines incorporating this recommendation.

8. Community Action Agencies, when feasible, delegate the operation of program components to private welfare and charitable organizations so as to make greater use of the skills of this portion of the private sector, to promote institutional change, and to broaden the base of resources and support for community action.

9. Continuing efforts be made to identify, reach, and serve the hard core poor in each community—in the full realization that such efforts will be more difficult, more costly, and disproportionately less visible in results.

10. The new Neighborhood Action Task Forces proposed by the President's National Advisory Commission on Civil Disorders as an instrument of improved community response in urban ghettos be in fact the existing Community Action Agencies.

11. No reductions be made in the Office of Economic Opportunity appropriations and that appropriations for community action programs be substantially increased at the earliest practicable moment.

12. Every effort consistent with the orderly operation of the legislative process be made to insure that the Office of Economic Opportunity and its community action programs are not disrupted by serious delays in annual appropriations.

13. The Nation maintain the integrity of the community action programs of the Office of Economic Opportunity for at least 6 years beyond 1968 in order to permit a full 10-year period of experience with community action programs.

Our premises are:

1. No economic necessity for poverty exists in America today.

2. Poverty is a tightly interrelated and mutually reinforcing set of economic, social, and environmental circumstances that denies equality of opportunity to some Americans.

3. Poverty is vulnerable to social action.

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